



## SPECIALTY EQUIPMENT MARKET ASSOCIATION

### **BOARD OF DIRECTORS CANDIDATE QUESTIONNAIRE 2018 ELECTION YEAR**

# **DONNIE EATHERLY**

## **Part 1 – Personal/Professional History**

1. Please provide a history of your professional background and education (including professional development). Feel free to attach your résumé and/or bio. Describe the specifics of your current job responsibilities:

I am currently President and CEO of P&E Distributors, a 50-plus-year-old family-owned-and-operated performance parts and truck accessory regional warehouse that mainly focuses on mom-and-pop stores and installers in the southeast region. My employment here began in the mid '70s when I was a teenager still in school. I would ride the bus in to clean up install bays, drive delivery and pull and put-away parts.

I have not worked consistently at the family business. In the late '70s, after high school, my love of motorcycles led me to one of the early pioneers of motocross “works” bike builders in which I began a machinist career. Our shop produced racing bikes and engines for people all over the world, including factory Kawasaki and Honda. I did all the cylinder porting and polishing and some fabrication and welding. Our bikes won the Canadian Grand Prix, Houston Astrodome 125cc Nationals, Daytona half-mile and numerous other events around the world.

After that I spent a few years working in a large locally owned production engine rebuilding plant that employed about 100 people. I began in the engine-core tear-down room, which involved engine tear downs, block and head cleaning and finally running a crank grinding machine for the last year there.

I then came back to work at P&E in 1984. After spending 11 years in almost every position in the company under the watchful eye of my father and his management team while helping the business grow, I decided that it was time for me to purchase the business from my father. In 1995, my brother Steve—who was in the 12-volt distribution business—and I became partners, purchased the business from our father and merged the two companies together.

Since we purchased the company, we almost doubled the revenue until the year 2008 hit. Today our company employs approximately 80 people with three locations. We run approximately 23 truck delivery routes using our own equipment. We sell through all channels, including wholesale to mom and pop,

chain stores, our own retail store, internet stores and various internet market places such as eBay and Amazon.

My responsibilities include leadership, brain storming strategies, sales, visions and goals of the company with the management team. I'm responsible for technology initiatives and assessing where we need to focus our resources for long-term stability and growth. On a day-to-day basis I do purchasing and inventory management as well as certain marketing campaigns, handling mass merchant accounts, accounting, cash-flow management, company cheerleading and fun stuff to keep my sanity.

My education consists of a high school diploma and a few years of commercial art school where I met my beautiful wife of 36 years. During this period, I also hand painted real estate signs, business signs, billboards. I painted wall murals, lettered race cars, delivery vehicles and various sign painting projects. We purchased a six-station T-shirt silk-screening machine and produced T-shirts in our basement.

I received most of my business acumen and education from my father and industry peers throughout my career thus far, but I tell folks I have a degree in common sense and graduated from the school of hard knocks.

I have continued to educate myself through numerous industry-sponsored functions, classes, outreach to industry peers and not being afraid to dig into company projects and problems.

I have made it a point to read various self-improvement and business books each year as well as reading industry trade journals from across different channels. I have one book that I refer to very often and that is "Good to Great" by Jim Collins.

2. Indicate your historic and/or current involvement with automotive industry initiatives specifically, as well as other professional and philanthropic associations, societies and organizations you have been actively involved in. Please be specific about other boards (if any) on which you have served or are currently serving:

- One of my earliest industry initiatives in the late '80s that comes to mind seems trivial today but was that I took on reworking the standard reporting format that the CAN (Custom Automotive Network formerly known as Performance Warehouse Association or PWA) conferences used to exchange between meeting partners that goes back more than 20 years that was recently updated.
- I was very active in the formation of one the industry's first two aftermarket WD buying and marketing groups—U.S. Performance. I called for and was the first non shareholder of the board of directors for AAM Parts Pro.
- In the early '90s I created and funded the company's sponsorship of Nashville's first DARE drag-racing program and furnished the police

department with a purpose-built, new '93 Chevy Caprice Super Gas tube chassis cop car. The vehicle toured the local schools, malls and sports venues giving talks to the youth about the dangers of drugs, gangs and street racing. We took the car to the 1995 SEMA Show for the first ever "National Super Cop Shoot Out" drag race and took all the honors, including putting Toni Fotti's blown Camaro from the LAPD on the trailer in the final round.

- I was very instrumental in my tenure as CAN president, formerly known as PWA, in calling for and passing term limits, board downsizing and the creation of a succession plan to have in place for the future which turned out to be not too distant. It was a very difficult to bring this subject to the table and it was difficult to deliberate and navigate, but I managed to do it very professionally, respectfully and built the consensus needed to move it forward with John Towle's blessings.
- In my previous SEMA Board tenure, I was very active and involved in lobbying for SEMA BOD downsizing with my industry peers which put me in some difficult situations at times, but I felt it was the best thing for the institution and the industry. I was able to professionally agree to disagree with the ones who were very passionate on the other side, and we walked away with mutual respect.
- I have been very active in industry legislative issues with my local and federal representatives. I visited with my state representatives in Nashville and visited federal representatives in Washington, D.C., with the SEMA BOD and with other lobbying groups, when called upon for causes I felt were important personally or to our industry.
- In my previous SEMA Board tenure, I was a proponent for establishing the SEMA Data Co-op (SDC). We were one of the first to be included in the group of participating WDs on the receiving side. Our company is currently very active in the SEMA Data Co-op program and we are in the construction phase of our new P&E B2B website which will utilize the SDC to its full potential.
- I was very active in the failed attempt to revise and save the SEMA Pro Pledge Program. I tell you this even though it failed because it's important to know my commitment to the cause.
- I chaired the committee that failed at revising the current SEMA Banquet Awards for WD of the Year criteria to expand and include more current sales channels. I tell you this again even though I failed because of my commitment to the cause, which I still believe today needs to be adjusted.
- I was very active in my current BOD role on the Antique Motorcycle Club of America in their pursuit of downsizing their board and the benefits of doing so by utilizing my past experiences with CAN and SEMA. I was astonished at the parallels of situations in my life and was happy to be able contribute

from my past experiences. The Antique Motorcycle Club of America currently has more than 10,000 members and 70 chapters worldwide.

- I was very active in the pursuit of the first officially hired executive director of the Antique Motorcycle Club of America by using my experience volunteering on the boards in the automotive industry. I was able to help guide them with a job description and responsibilities SOP.
- I am the founder and first president of the current Music City Chapter of the Antique Motorcycle Club of America. We recruited more than 30 members in its first year. I am now the treasurer.

3. Please highlight specific career accomplishments including, but not limited to, patents received, product innovations, awards and recognitions, publications, marketing or business programs, presentation to business and/or industry symposiums. Share any and all significant or notable accomplishments:

I have attended the SEMA Show for 29 years, CAN conferences for 26 years, countless racing events, various trade shows; held car shows, jobber shows; and hosted jobber training events.

Our company has been featured in numerous trade magazines, local news events and personal in-depth interview as the incoming CAN president along with Rick Rollins as the incoming SEMA Chairman in *SEMA News* in 2012.

I was honored to have been called on two different occasions by congressmen and women to speak at the press conferences of the introduction of legislation at the Capitol in Washington, D.C., I was called to speak on behalf of small businesses from across the country on the introduction of the house bill first, and then almost a year later received the call from Lamar Alexander's office to speak at the Senate press conference on the introduction of the Senate Bill, "The Main Street Fairness Act."

Another highlight of my life was being called back to Washington, D.C., by two congressmen from other states to speak at the "National Press Club" on the same legislation referenced above. This was truly an honor to speak at a place where presidents, heads of state and other dignitaries and celebrities have been sent rare invitations and requests to do so.

I have been elected, asked to chair or participate in the following automotive and motorcycle industry initiatives and feel it is an honor and accomplishment to have been asked by my peers to do so:

- SEMA Executive Committee member 2009, 2012, 2013
- WTC SEMA Board Liaison 2007–2013
- SEMA Marketing Task Force member 2008–2014
- Current SEMA Political Action Committee President's Club, Red Line

member since 2016

- SEMA Rep of the Year Chair Person 2005, 2008, 2017
- SEMA Rep of the Year Committee 2016
- SEMA Election SOP Task Force 2007 and 2013
- SEMA Nominating Committee 2009, 2011, 2013
- SEMA WD, Person, Rep of the Year SOP Task Force member 2010
- SEMA Data Co-op Program volunteer and current participant
- SEMA Launch Pad Mentoring Program 2016–2017
- CAN Pioneer Award Honoree 2014
- CAN President 2012–2013
- CAN LRP Chair Person
- Three-term CAN Board Member
- Chaired CAN Person of the Year Committee 2009
- Chaired CAN Manufacturer of the Year Committee 2008
- Hosted the Hot Rodders of Tomorrow Division 2 Championships 2009–2015
- Antique Motorcycle Club of America Board Member since 2013

Although I hold no product patents, I have given away numerous industry product ideas and product improvement ideas.

1. A coupe specifically comes to mind like the aluminum bed caps that wrap around to meet the tailgate cap, the industry calls them “wrap caps.”
2. I met with the CEO of Holley Performance Products years ago and told him it was time to freshen up the carburetors we were selling and polish the barrels and enhance the outside look away from the dichromate which led to the new series of HP carbs today.

4. Please mark each of the skill categories where you believe you possess a level of expertise:

<input type="checkbox"/> Manufacturing	<input checked="" type="checkbox"/> Motor Sports/Racing
<input checked="" type="checkbox"/> Distribution/Logistics	<input checked="" type="checkbox"/> Vehicle Shows/Auctions/Exhibitions
<input checked="" type="checkbox"/> Supply Chain	<input checked="" type="checkbox"/> Financial Planning/Management
<input type="checkbox"/> Engineering	<input checked="" type="checkbox"/> Accounting
<input type="checkbox"/> Vehicular/Product Design/Innovation	<input type="checkbox"/> Human Resources Management
<input type="checkbox"/> Product Management	<input checked="" type="checkbox"/> Business Management/ Development
<input type="checkbox"/> OEM Design/Technology	<input checked="" type="checkbox"/> Sales
<input checked="" type="checkbox"/> Brand Management	<input checked="" type="checkbox"/> Business Technology
<input checked="" type="checkbox"/> Advertising	<input checked="" type="checkbox"/> Data Management
<input checked="" type="checkbox"/> Marketing	<input checked="" type="checkbox"/> Internet Utilization
<input checked="" type="checkbox"/> Strategic Planning	Other (specify):
<input checked="" type="checkbox"/> Public Relations	_____
<input checked="" type="checkbox"/> Crisis Management	_____
<input type="checkbox"/> Regulatory Compliance	_____
<input checked="" type="checkbox"/> Legislative/Lobbying	_____

## Part 2 – Personal/Professional Attributes

5. What are your specific areas of expertise? What unique skills or perspective do you think you could bring to the leadership of SEMA? What business or life experience do you have that prepares you to help shape the direction of the industry? What industry issues are you particularly passionate about?

I began my automotive career literally in diapers, and my expertise would fall in many areas of running a small business and wearing various hats throughout my career such as sales, inventory management, marketing, technology, logistics, accounting, managing capital and resources as well as people.

I am very passionate about channels of distribution, and I think my perspective would be good on all distribution channel issues and how industry changes, policies and legislation that would have a positive or negative affect on how our products make it to the end consumer.

I think the unique skills I possess are the ability to look at complex issues from a very fundamental point of view and explain them in more basic and simple layman's terms that anyone could understand.

I have the ability to look at issues from all points of view whether it favors distribution, manufacturers, jobbers, reps or consumers and consider all points before coming to my own conclusions which I feel would make the best outcome for all.

I'm able to take off my personal hat or what would benefit me or my company and make decisions for the greater good, which sometimes could cost me or my company.

I think I'm a pretty good consensus builder.

6. What would you say is/are your most notable achievement(s) to this point in your career? What are you most proud of?

I would say my most notable achievements are being asked to go to Washington, D.C., and speak at the press conferences as well as the "National Press Club."

More industry specific would be my CAN Pioneer award and the two SEMA WD of the Year awards, which I was proud to except on behalf of our employees.

I am very proud of my previous SEMA Board tenure in which I played a small role and was part of a forward thinking and visionary Board group that passed and implemented some of the most far-reaching initiatives that has had such a positive impact for our members and the industry as a whole.

I am very proud of being nominated by my industry peers to run for SEMA Chairman in 2015. Although I failed, it was truly an honor to have been nominated and pass through the rigorous nominating process. It was an honor to have my name placed on the ballot alongside another great and passionate industry-loving person, Wade Kawasaki. I hope I am able to serve a Board term under his leadership.

What I am most proud of is being a successful second-generation industry warehouse co-owner and over the past few years being able to hand over more responsibility to my son and nephew and teach them how to carry on the family business, but mostly the look on my Dad's face when I personally delivered the last payment from the 1995 buy out!

### Part 3 – Industry Perspective

7. What do you consider to be the top opportunities or threats facing the specialty parts aftermarket over the next five years? Try to be specific to industry trends. You may comment on macroeconomic issues (inflation, unemployment, health care, etc.) but only if they are relevant to your perspective on industry issues.

I believe we have an opportunity to actively lobby congress for pro-business legislation and deregulation. We have just finished our first year under a president that actually understands business and the cause and effects of taxation and regulation on small businesses. He is pro-business, pro-growth and he has the House and Senate for one more year. I believe we should take this opportunity to rev up our members and our office in D.C. and lobby for legislation that will make it easier for our members to prosper and survive. The following issues are ones I believe we can impact through SEMA's involvement:

- Passage of the RPM Act!
- Protecting our intellectual property rights.
- Health-care cost and how the dismantling of Obama Care will affect our members.
- Legislation that effects the OE auto manufacturers such as CAFE standards; vehicle safety regulations such as anti-roll over; tire production dates; and so on.
- Legislation that affects the direct labor cost, such minimum-wage laws, overtime rules, card check legislation and sick-leave pay legislation.
- Getting rid of harmful industry regulations.

One of my biggest concerns is the threat to the industry near term with the wild west of the internet and the over distribution of our products, which leads to

brand degradation and shrinking profits.

Another concern that comes from this is being able to attract and pay sales and counter people and afford to continue to invest in these people with product technical training, sales training and continue to pay them enough to stay in the industry and grow with us long term at the distribution and counter level.

The flipside to the above that can also harm us is manufacturers instituting “me-too” forms of pricing policies without educating themselves and considering the effects in the channels when it comes to inventory in the field, carrying cost and turns, which leads to a huge amount of inventory in the marketplace with a very slow road to sales relief because of no policy to help relieve the inventory.

For those who believe in main-street businesses, a real threat is fewer entrepreneurs willing to invest capital in store fronts across America, educating themselves on our products, stock inventory and be our frontline ambassadors for our products to the consuming public.

Stagnation of aftermarket manufacturers’ innovation abilities and new-product creation because of OE technology and the increasing role computers have in controlling all aspects on new-vehicle functionality.

I am concerned about premier and legacy aftermarket brands being rolled up by private-equity and publicly-traded firms that drive out the creativity, innovation and engineering departments. The same groups of industry outsiders that buy in do not understand the business and the passion of our industry participants and customers. This leads to a breakdown in our long-standing relationships between industry manufacturers and channel partners. The lines between manufacturing and distribution channels are being erased. SEMA is an “all-inclusive” association and the Board needs to brainstorm and do outreach to other “like” industries and their associations who may have already experienced these types of issues and where it led to.

Intellectual property rights protection overseas for those manufacturers who do invest in innovation, engineering and new products from the copycat manufacturers and Chinese manufacturing selling out the back door.

Dwindling “real” trade buyer participation at the SEMA Show because of over saturation of “me-too” products in virtually every category from top-line-driven manufacturers and off-shoring and Chinese vendors.

Too much non-trade-type activity at the two trade shows—SEMA and PRI—which could open up the association to a competing “real trade-only” show.

Finding young people who want to work in the retail and wholesale sales environment whether on the sales counters or phone sales. Keeping those same people on an affordable career path long term.

I see opportunities for a SEMA industry product training certification program

that give these young enthusiasts an opportunity for selling and product knowledge that gives them higher earnings potential and possibly attract them away from other career paths. We've lost the coolness that used to go with working at a speed shop or truck accessory store and the earnings potential because of over distribution and low margins.

I see opportunities for SEMA to partner with the AMA and the Monster Energy Supercross series to attract the youth that they have been very successful in doing, which I believe fit our demographics.

8. Of the issues you identify above, which ONE concerns you the most as to how it will impact the industry's future? What would you do to initiate change to either expedite a positive outcome or prevent a potential disaster?

I would say I'm concerned that if we as an association do not get more actively involved with the new Trump administration, we will lose an opportunity like never before to play a role in shaping the pro-industry legislation that we could have an impact on. We should do our part for our members to ensure that the pro-business legislation that is surely to come from this administration has the most favorable impact on our members going into the future. We need to create through the SEMA PAC members a committee that fleshes out the real impact and quantifies it in numbers and effects on how the issues I mentioned above affects our members and use this information to get more involved.

#### **Part 4 – Association Specific Observations**

9. Do you feel that the Board of Directors and SEMA are currently pursuing the initiatives that are critical to our business segment? What would you place more emphasis on? What would you discontinue? What would you add?

I believe these initiatives are critical, and I would continue with these initiatives full steam ahead.

During my tenure on the BOD that ended in 2013, I believe there have been great strides made on a lot of fronts, the SEMA Data Co-op has really come along, and I think it was one of the most far-reaching, positive member benefits. We need to continue to improve its capability and build out data-intelligent information by crossing vehicle models in service data with part numbers.

The councils and the BOD collaboration was getting into full swing with better communication and interaction—I would continue to cultivate that.

The SEMA Ignited continues to be a great success. I would continue to try and improve.

You will eventually have to confront the question of consumers at the SEMA and PRI Trade Shows.

SEMA has always done a great job on the legislative front for many years, but as I said above, we have a real opportunity with the Trump administration and I would look at ways to leverage the membership, SEMA PAC and the D.C. office to get in the legislators' faces.

I believe bringing Show management inside seemed to be a success and transparent from my buyer's attendee perspective. I would continue to leverage the talent brought in from PRI and the SEMA staff for continuous improvement. I would be careful not to be tempted to merge the two shows and lose the unique features that made each show successful in there on rights; do not make PRI the "SEMA" east show.

The SEMA Garage has been open for business. I know it was a big expenditure for SEMA, and I would be focused on mailings, phone calls, advertising in *SEMA News* and articles from peers to target members who could use such valuable resources at a very affordable price.

I would also revisit the product education SEIU to see if there is something that can be done from a collaborative effort with CAN since there has been a leadership change there.

I would do an outreach to other industry associations to benchmark where we are as an industry from distribution, marketing, technology, training, education from the effect of the internet and how they plan on attracting youth into their industry.

I know the CU-ICAR program was just getting put in place, I'm not sure where it stands now, but if there was no uptake from the membership, I would discontinue it.

10. As a SEMA Board member how do you feel you would be uniquely qualified to help address the issues you identified above?

I love this industry, I am very passionate about this industry, I have a very long history with this industry and have met and made a lot of contacts along the way.

I believe I am a good consensus builder, a good communicator able to speak to people on the majority of industry subjects and topics on any level to help them understand why the industry must take these steps to benefit the good of all. I was successful in building consensus on some very delicate initiatives in my tenure as CAN president, and I believe the industry will be much better from the efforts and outcome of my tenure there and the heavy lifting of the BOD. I think that I possess a unique ability to understand and address issues and problems from the manufacturer, jobber, dealer, internet retailer and rep and come to my own conclusions, doing so with integrity and the ability to convey

the outcomes of the greater good to all the BOD and membership.

If you're looking for: an industry veteran with experience, wisdom and passion; a person that understands some of the complex issues the industry faces; a person that's a hands-on problem solver; and a person that understands the past and how the industry got here but also knows that it's constantly changing and stays abreast of current technology, trade channels and current industry issues, then I feel I am well qualified and would love to continue to serve and give back to the industry I love.

11. What do you see as SEMA's weaknesses?

- To get membership to mobilize for industry-threatening legislation.
- The ability to mobilize the membership to take advantage of member benefits.

12. How about its strengths?

- It's outreach ability to industry players.
- A very diverse member roster.
- The SEMA Show and PRI Trade Show.
- The ability to take big swings at large overarching industry issues such as legislative, data and educational programs, and trying to create member benefits from them.

13. If you were chosen to chair the Long-Range Planning Committee, which topics or issues would you want your committee to be deliberating on?

- SEMA the brand—Can this brand transcend down through the channel to the jobber and installer level and be a marketing value, i.e. "SEMA member" door decal or building a value-added program you market like the Better Business Bureau?
- SEMA membership—We talk about attracting youth. Is it time to look at creating a non-trade membership category for high school and college students? If so, would Supercross and X-games be a good membership recruitment partner to make this happen?
- Alibaba—Can U.S. domestic manufacturers innovate, create and manufacturer products that the Asian market would purchase and can the U.S. distribution participate?
- With innovation in battery technology and shorter charging time and longer life, will electric vehicles become more affordable? If so, can our industry innovate and create aftermarket products these consumers will buy?
- Amazon is testing drone delivery and two-hour delivery, and it is hiring thousands to build out their delivery logistics. States are testing driverless vehicles. How will SEMA members compete with its logistics in this instant

gratification world?

- With the new business-friendly “Buy American” Trump administration, will manufacturing in America become affordable again?
- 3D printers—Will manufacturers be creating and innovating products that are 3D friendly and will they be transmitting print files instead of shipping products in the future?
- Amazon—What values do they bring to the table that current legacy distribution does not offer? Can the legacy distributors cross over to direct to the consumer sales without alienating their wholesale base? Will manufacturers partner with them during the transition?
- Will there be fewer entrepreneurs willing to invest capital in store fronts across America, and educate themselves on our products, stock inventory and be our frontline ambassadors for our products to the consuming public? What will the store fronts and counter persons be tomorrow?
- Stagnation of aftermarket manufacturers’ innovation abilities and new-product creation because of OE technology and the increasing role computers have in controlling all aspects on new-vehicle functionality. How will we manufacture and create products that consumers will want and will be OE technology friendly?
- We have premier and legacy aftermarket brands being rolled up by private-equity and publicly traded firms that are top-line driven; they drive out the creativity, innovation and engineering departments. The same groups of industry outsiders that buy in do not understand the business and the passion of our industry participants and customers. This leads to a breakdown in our long-standing relationships between industry manufacturers and channel partners and the continuity of our history. The lines between manufacturing and distribution channels are being erased. How will products be distributed in the future?

## Part 5 – About You

14. Questionnaires can be very limiting. In the space below, share with us anything we didn’t ask that you believe will help the Nominating Committee develop a better understanding of you as a candidate:

I believe I am very qualified for this position because of my industry tenure, industry contacts, and my previous experience and hands-on participation with the CAN BOD and the SEMA BOD.

I bring a unique perspective from the distribution channel. Although I might be in the distribution channel, I do know that the SEMA BOD represents “ALL” segments of the aftermarket and I am confident that I can do the job and bring leadership to the BOD, hold to the agendas and uphold the past BOD’s initiatives, legacy and commitment to getting the job done for “OUR” industry. Whatever I sign on to do, I’m all in.

In the South, that’s what we call “being the pig at the breakfast table.” The hen lays the egg and lives another day, the pig supplies the bacon and forfeits

everything.